

Memorandum

TO: DRIVING A STRONG
ECONOMY COMMITTEE

FROM: Sara L. Hensley

SUBJECT: UPDATE ON PROPOSED
AMENDMENTS TO THE
PDO/PIO ORDINANCES
SUPPLEMENTAL MEMO

DATE: 02-17-05

Approved



Date

2-18-05

Council District: Citywide

SNI: N/A

REASON FOR SUPPLEMENTAL MEMO

The Parks, Recreation and Neighborhood Services Department (PRNS) received a letter dated February 14, 2005, from the Home Builders Association (HBA) through the office of Councilmember Forrest Williams, Chair of the Driving a Strong Economy Committee. The letter contains questions and requests regarding the Parks Dedication Ordinance (PDO) and the Park Impact Ordinance (PIO) item scheduled for Committee consideration on February 28, 2005. A copy of the letter is attached for reference.

ANALYSIS

This memorandum serves to address the questions and requests contained in the HBA letter. Some HBA information requests will require more time for research and response.

Question: *What are the existing standards for parks in the City of San Jose (i.e., how many acres per 1,000 population)?*

- The City's General Plan specifies a service level objective of 3.5 acres of parkland per 1,000 population. Recreational school lands can represent up to 2.0 acres of parkland per 1,000 population. Currently, the City provides 2.9 acres of parklands per 1,000 population, when recreational schools are counted. The standard is further explained in the Greenprint.

Request: *Home builders be given credit for improvements on any land that is dedicated to the City of San Jose for park use under the Government Code Section 66477(a)(9).*

- Developers receive credit for lands dedicated per the formula under the PDO and PIO. If a developer also provides park improvements to the land dedicated, the value to design, construct, review and inspect the improvements are credited against the land dedication, except as noted in Section 19.38.310.D of the PDO and Section 14.25.320.C of the PIO. As stated in both ordinances:

“The Applicant, as required by the city, in addition to the land dedicated pursuant to subsection A., shall:

1. Provide reasonable improvements and access to the land dedicated including, but not limited to, full street improvements and utility connections such as curbs, gutters, street paving, traffic control devices, street trees, and sidewalks, to land which is dedicated pursuant to this chapter;
 2. Provide for fencing along the property line of that portion of the housing project contiguous to the dedicated land; and
 3. Provide improved drainage through the site.”
- In lieu of dedication, park improvements completed or fees contributed in compliance with the PDO and PIO are administered in a manner consistent with the ordinances, City policy and Parks, Recreation and Neighborhood Services (PRNS) standards.
 - When a home builder makes improvements to a dedicated park, the specific nature, timing and value of the improvements are set out in a “turnkey agreement” approved by the City Council.
 - Not all properties proposed to be dedicated to the City are acceptable for active recreational uses (e.g., un-buildable hillsides and riparian corridor). The City has selectively accepted these properties after a request by a developer.

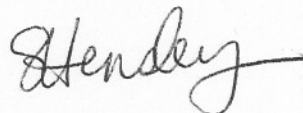
Request: Provide HBA with a precise accounting of the distribution and expenditure of funds contributed to the City by builders, including parks, built since 1990; expenditures on regional parkland; and expenditures for park facilities on school grounds.

- PRNS has accessibility to records and reports of the PDO and PIO program history since its inception, which includes over 770 entries totaling over \$59 million collected in fees. As recently shared with the Committee, PRNS has requested Finance Department and Budget Office involvement in a comprehensive assessment of the PDO and PIO program. PRNS staff has been assigned to complete this effort in the next six months.
- PRNS is also recommending the preparation and presentation of a PDO and PIO Annual Report to be given to the City Council each year in the spring. The report would set out the performance of the program over the previous year. The first report would be produced in 2006.

- Regarding the expenditure of PDO and PIO in regional parks, current ordinances and policy do allow for the application of fees in this manner when the improvement is a neighborhood/community serving park element. Some regional parks include neighborhood/community-serving elements along their periphery.
- Regarding the use of PDO and PIO on school sites, current ordinances do not allow expenditures of the Park Trust Fund on school grounds. The Park Trust Fund (Fund 375 in the Capital Improvement Plan) is where the PDO or PIO in-lieu fees are deposited for City allocation. Both ordinances permit, under certain circumstances, credit for dedication of recreational school grounds associated with the creation of new school sites with the requirement that an easement be placed on the property providing for public use of the school recreation grounds. This provision assures that the school recreation grounds cannot be converted to another use, or disposed of and thereby justifies the PDO and PIO credit. This provision has been seldom used and is done so with the knowledge and agreement of the developer.
- The PDO and PIO also permit up to a 50% credit for other types of public agency lands made available for public recreational uses. This provision has been seldom used and is done so with the knowledge and agreement of the developer.

Request: HBA be given a 30-day time period for review of information developed by the City before any action is taken by the City Council.

- Information provided in this memorandum serves to answer most of the questions submitted by HBA. Staff will provide additional preliminary information responding to questions about the source and use of PDO and PIO funds in the very near future. The full analysis of PDO and PIO will require time beyond the current schedule for Council consideration of the proposed modifications. Staff is requesting a public hearing on the proposed administrative modifications to the ordinances be held on April 12, 2005. Staff believes that the time period between this response and the proposed public hearing date should be sufficient to meet the 30-day review period being requested by HBA and to answer any follow-up questions.



SARA L. HENSLEY
Director of Parks, Recreation
and Neighborhood Services

Attachment: Letter from the Home Builders Association

HOME
BUILDERS
ASSOCIATION



February 14, 2005

The Honorable Forrest Williams, Ph.D.
Councilmember, District 2
City of San Jose
810 North First Street, Room 600
San Jose, CA 95110

Dear Councilmember Williams:

This letter is written on behalf of the Board of Directors of the Southern Division of the Home Builders Association of Northern California. Our concern is an issue within your purview as Chair of the City Council's Driving a Strong Economy Committee.

We understand that on Monday, February 28, 2004, your Committee will consider revisions to San Jose's Park Dedication and Park Impact Ordinances. As you might imagine, most of the impact fees for parks are paid by the members of our association. Therefore changes are most important to our membership. There are three principal areas of concern which we would like to have your committee consider and review **before** you make recommendations to move this forward to the full City Council.

1- What are the existing standards are for parks (i.e. how many acres per 1,000 people) in the City of San Jose?

2. We request that home builders be given credit for improvements that are done on any land that is dedicated to the City of San Jose for use for parks, as required by Government Code Section 66477(a)(9), which provides: "If the subdivider provides park and recreational improvements to the dedicated land, the value of the improvements together with any equipment located thereon shall be a credit against the payment of fees or dedication of land required by the ordinance." It is unclear whether this currently is being done, and we would like to have this included in programmatic and fee changes.

3- We would like to have a precise account of the distribution and expenditure of the funds that have been contributed by builders to the city. This report should include all expenditures of funds and the results of those expenditures (land purchase, facility construction and other details).

- ☐ What parks have been built since 1990?
- ☐ What have been the expenditures on regional parkland?
- ☐ What expenditures have been made for park facilities on school district properties?

We thank you in advance for providing HBANC with this information. We also request that we be given at least 30 days to have our members review the data before your Committee makes any further recommendations to the San Jose City Council.

Sincerely,

Beverley B. Bryant, Ph.D.
Executive Director, Southern Division

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